E. Verizon's Attempts To Impose ILEC Duties On Non-ILECs Fly In The Face Of The Plain Language Of The Act And The Express Findings Of This Commission. (Checklist Item 1)

Verizon has attempted to transform its obligation to allow Sprint to collocate under Section 251(c)(6) into a reciprocal obligation that requires Sprint to allow Verizon to collocate at Sprint's POPs.[42] Verizon's bald attempt to impose collocation duties on Sprint is inconsistent with the Act and Commission precedent. Section 251(c)(6) imposes on *incumbents LECs -- not CLECs and not IXCs* -- "the duty to provide, on rates, terms and conditions that are just, reasonable and nondiscriminatory, for physical collocation of equipment necessary for interconnection or access to unbundled network elements." 47 U.S.C. § 251(c)(6). Moreover, the Commission has expressly concluded that imposition of "obligations that the 1996 Act designates as 'Additional Obligations on ILECs,'" -- as "distinct from obligations on all LECs" -- on CLECs "would be inconsistent with the statute." Local Competition Order ¶ 1247.

Although Sprint may *voluntarily* agree to allow Verizon to locate equipment at a Sprint POP, Sprint is under no legal obligation to provide collocation to Verizon. Verizon's attempts to impose reciprocal collocation obligations on Sprint are unlawful and emblematic of the type of unreasonable positions that Verizon has repeatedly taken with Sprint.

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42 This question of law has arisen during Sprint's ongoing interconnection negotiations with Verizon. Under traditional exhaustion doctrine, the Commission is free to rule directly on purely legal issue on the merits. See, e.g., McKart v. United States, 395 U.S. 185, 197-98 (1969) (exhaustion of administrative remedies unnecessary where question is one of statutory interpretation); Buckeye Cablevision, Inc. v. United States, 438 F.2d 948, 952 (6th Cir. 1971) (administrative remedies need not be exhausted where review does "not necessitate the development of facts by the Commission, but rather presents a simple legal issue"). Indeed, given that the Commission is entitled to Chevron deference in interpreting the Act, see Iowa Utils. Bd., 525 U.S. at 397, it need not await the full completion of the arbitration process before articulating the scope of Verizon's legal obligations, especially where, as here, all the Commission would be doing is confirming its prior legal rulings.

III. CONCLUSION

For the foregoing reasons, Sprint urges the Commission to deny Verizon's Application.

Respectfully submitted,

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Dated: July 11, 2001

ATTACHMENTS

	APPENDIX
Sprint Response to E-mail Request (May 23, 2001) (checklist item 1)	A
Sprint Communications Company L.P. and The United Telephone Company of Pennsylvania, Initial Comments (Feb. 12, 2001) (checklist items 1, 2, 5 & 13)	B
Cavalier Telephone Mid-Atlantic, Final Comments (Feb. 12, 2001) (checklist items 1, 2 & 5)	C
SWBT Accessible Letter No. CLEC00-180, 2 Step Interim Process (Ordering and Provisioning) (Sept. 20, 2000) (checklist items 1, 2 & 5)	D
Verizon Collocation Application (12/01/00) (checklist item 1)	E
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Final Comments of Covad Communications Company (Apr. 18, 2001) (checklist item 1)	G

[redacted]

A

[redacted]

RESPONSE OF SPRINT COMMUNICATIONS COMPANY L.P. AND THE UNITED TELEPHONE COMPANY OF PENNSYLVANIA TO E-MAIL REQUEST DATED MAY 23, 2001, SUBMITTED IN DOCKET M-00001435 BEFORE THE PA PUC (PA-271)

9. Verizon has existing interconnection agreements that permit competing carriers to interconnect at a single point on Verizon's network. This single "point of interconnection" refers only to the physical linking of networks; it does not refer to the rate issue of local transportation costs. It appears that Verizon addresses associated transportation costs by designating an "interconnection [billing] point."

   (a) Is it correct that the "point of interconnection" and the "interconnection [billing] point" are not necessarily identical points?

   (b) Does compliance with Checklist Item 1 or any other checklist item require a PA PUC finding with respect to Verizon's policy on "interconnection [billing] points" in Pennsylvania? Please explain. Also, please explain any relevant connection between Verizon's policy on "interconnection [billing] point" and Verizon's GRIPS proposal.

Response:

(a) Yes, Verizon specifically concocted the "Interconnection Point" as a means of distinguishing it from the Point of Interconnection (or "POI" as is commonly understood). Verizon accomplishes this by severing – via "GRIP" – the billing (reciprocal compensation) associated with interconnection arrangements from the physical interconnection itself. Tr. 362 (March 1, 2001); Sprint Final Comments, April 18, 2001 at Att. 3. Historically, the Point of Interconnection was used for billing and the physical hand-off location for traffic. By requiring designation of Interconnection Point(s) at any place on the network other than the physical Point of Interconnection, the CLEC must obtain additional "facilities and equipment" – which Verizon has a statutory duty to provide -- to transport that traffic to the physical Point of Interconnection. 47 U.S.C. §251(c)(2). Indeed, given Verizon's control over local network facilities, the CLEC will more often than Verizon have to obtain transport – at a cost -- from Verizon in order to take the traffic either to or from the Interconnection Point designated for billing purposes to the physical Point of Interconnection. As a result of the billing fiction created by Verizon's Interconnection Point, the CLEC's interconnection costs increase, whereas Verizon's costs decrease.

(b) Yes, Sprint believes that this Commission cannot find Verizon in compliance with Checklist Item 1 if Verizon continues to require Interconnection Points (or GRIPs) separate from the physical Point of Interconnection as a means of "sharing the cost of building transport." Tr. at 361 (April 26, 2001).

Section 251(c)(2) imposes a "duty" on Verizon "to provide, for the facilities and equipment of any requesting telecommunications carrier, interconnection with the local exchange carrier's network . . . for the transmission and routing of telephone exchange service and exchange access . . . at any technically feasible point with the carrier's network . . . on rates . . . that are . . . reasonable."

Verizon Pennsylvania will allow one Point of Interconnection within a LATA. However, if Verizon deems that the CLEC will operate "fairly extensively in the LATA", then Verizon will require that the CLEC share "the cost of building transport" by requiring the designation of multiple interconnection billing points – thereby avoid its duties under Section 251(c)(2). Tr. at 361-62 (April 26, 2001). Therefore, the fact that Verizon offers one Point of Interconnection (id. at 364), does not alleviate Verizon's statutory duty to provide the "facilities and equipment" in the first instance.

At *En Banc* hearings, Verizon claimed that it has some interconnection agreements in place that allow for a single physical Point of Interconnection. Tr. at 360, 371, 364 (April 26, 2001). Verizon relies upon the recent FCC Memorandum Opinion and Order regarding Verizon New England Inc.'s application for 271 approval in support of the position that the FCC found that the availability of an agreement that allows "a single point of interconnection" within a LATA to be acceptable. Tr. at 360, 371 (April 26, 2001).

First, as to the physical Point of Interconnection, the FCC found the Verizon New England allowed "a competitive LEC" to "choose" that single, physical technical point of interconnection. [1] It has been Sprint's experience that Verizon Pennsylvania has not allowed Sprint to so choose. Tr. at 369 (April 26, 2001).

Second, and more importantly, as to the interconnection billing point, the FCC's Massachusetts 271 decision did not address this concept exacted by Verizon Pennsylvania. Indeed, Massachusetts D.T.E. in March 2000 **rejected** Bell Atlantic's (Verizon's) interconnection billing point, or GRIP, proposal.[2] The Massachusetts D.T.E. stated as follows:

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[1] *Application of Verizon New England, Inc., Bell Atlantic Communications, Inc. (d/b/a Verizon Long Distance), NYNEX Long Distance Company (d/b/a Verizon Enterprise Solutions) and Verizon Global Networks Inc., For Authorization to Provide In-Region, InterLATA Services in Massachusetts*, Para. 197, Memorandum Opinion and Order (April 16, 2001) ("FCC Massachusetts 271 decision").

[2] Massachusetts D.T.E. 98-57, Investigation by the Department on its own motion as to the proprietary of the rates and charges set forth in the following tariffs: M.D.T.E. Nos. 14 and 17, filed with the Department on August 27, 1999, to become effective on September 27, 1999, by New England Telephone Telegraph Company d/b/a Bell Atlantic-Massachusetts, March 24, 2000 at 146.

> Because Bell Atlantic's GRIP proposal would require CLECs to establish additional interconnection points at Bell Atlantic's tandem and end offices and does not allocate transport costs in a competitively neutral manner, we reject it. We direct Bell Atlantic to revise its tariff to eliminate the GRIP proposal and to include a provision that reflects that each carrier has an obligation to transport its own customers' calls to the destination end-user on another carrier's network or bear the cost of such transport.[3]

Accordingly, having a single Point of Interconnection in a LATA means something in Massachusetts because it is the hand-off for <u>both</u> the physical and billing interconnection arrangement. In Pennsylvania, having a physical Point of Interconnection means relatively little when Verizon <u>also</u> exacts multiple interconnection billing points. Thus, Verizon's continued policy of using interconnection billing points as a means of shifting/avoiding Verizon's Section 251(c)(2) duty to provide "facilities and equipment" for interconnection is now squarely before the Commission. Sprint submits that Verizon cannot be found to be in compliance with Checklist Item 1 when it continues to require that a CLEC share "the cost of building transport" by requiring the designation of multiple interconnection billing points. Tr. at 361-62 (April 26, 2001).

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[3] <u>Id.</u>

[redacted]

B

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

CONSULTATIVE REPORT ON APPLICATION OF VERIZON PENNSYLVANIA INC., FOR FCC AUTHORIZATION TO PROVIDE IN-REGION, INTERLATA SERVICE IN PENNSYLVANIA	:	**DOCKET NO. M-00001435**

COMMENTS OF SPRINT COMMUNICATIONS COMPANY, L.P. AND THE UNITED TELEPHONE COMPANY OF PENNSYLVANIA

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On behalf of Sprint Communications Company, L.P.
and The United Telephone Company of Pennsylvania

DATED: February 12, 2001

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BEFORE THE
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COMMENTS OF
SPRINT COMMUNICATIONS COMPANY, L.P. AND
THE UNITED TELEPHONE COMPANY OF PENNSYLVANIA

Sprint Communications Company, L.P. and the United Telephone Company of Pennsylvania (collectively "Sprint") hereby file comments in the above-referenced proceeding regarding Verizon Pennsylvania Inc.'s ("Verizon" or "Verizon PA") filing with the Commission related to Section 271 of the Telecommunications Act of 1996 ("Act").[1] The information submitted by Verizon to date does not meet the required standards of Section 271 and, thus, the Commission should not endorse Verizon's entry into the interLATA market at this time.

I. INTRODUCTION AND SUMMARY

Consistent with procedures outlined in the Global Order,[2] on January 8, 2001, Verizon notified the Commission that, in approximately 100 days, it intended to file with the Federal Communications Commission ("FCC") its application for authority to

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1 Pub. L. No. 104-104, 110 Stat. 56 (1996) (codified at scattered sections of 47 U.S.C.). (hereinafter "Act" or "Telecom Act").

2 Joint Petition of Nextlink Pennsylvania, Inc. et al. and Joint Petition of Bell Atlantic Pennsylvania, Inc. et al., Docket Nos. P-00991648, P-00991649, Opinion and Order (entered September 30, 1999 (hereinafter "Global Order").

provide in-region, interLATA long distance service in Pennsylvania pursuant to section 271 of the Telecom Act.

Accompanying Verizon's January 271 Notice were six Declarations: (1) the Declaration of Daniel J. Whelan; (2) the Verizon Checklist Declaration; (3) the Verizon OSS Declaration; (4) the Verizon Measurements Declaration; (5) the Declaration of Maura C. Breen; and (6) the Declaration of William E. Taylor. Verizon's January 271 Notice included a set of its performance metrics reports for the months July through November 2000.[3]

Endorsement of Verizon's entry into the in-region, interLATA market by the Commission is premature. Verizon's January 271 Notice and accompanying Declarations portray a state of the local exchange market in Pennsylvania – as well as Verizon's behavior relative to same – in a manner which remains far from the reality at hand. Verizon represents that it has successfully implemented the required checklist items, yet significant problems remain with Verizon's provisioning of nondiscriminatory access to interconnection arrangements, including collocation,[4] unbundled network elements ("UNEs"),[5] reciprocal compensation arrangements[6] and resale. As addressed below, there have been many means by which Verizon has established roadblocks and has created endless difficulties relative to these market-

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3 In its January 271 Notice, Verizon proposed to use December 2000 as the first month of the commercial availability period. In a Secretarial Letter dated January 29, 2001, the Commission indicated that it is willing to review the December 2000 data, but that this data was not within the 90-day commercial availability period established for purposes of this proceeding. The Commission further clarified that the commercial availability period started on January 1, 2001 and, as such, the January 2001 data will constitute the first month of the commercial availability period.

4 47 U.S.C. § 271(c)(2)(B)(i).

5 47 U.S.C. § 271(c)(2)(B)(ii).

6 47 U.S.C. § 271(c)(2)(B)(xiii)

opening requirements. The inescapable conclusion is that Verizon has not satisfied at least (4) of the 14-point checklist items.[7]

II. FRAMEWORK FOR ANALYZING SECTION 271 APPLICATIONS

Under the process provided for in the Act, the Commission serves perhaps the most critical role. The Commission not only takes the steps needed to advance Verizon's progress towards opening its markets and complying with Section 271, but the Commission also creates a comprehensive record to be relied upon by the FCC in its review.

A. Legal Standards

In order to comply with the requirements of Section 271's competitive checklist, a Bell Operating Company ("BOC"), such as Verizon, must demonstrate that it has fully implemented all fourteen points of the competitive checklist. The FCC has already elaborated on the statutory standard to make such a showing.[8] First, for those functions Verizon provides to competing carriers that are analogous to the functions Verizon provides to itself in connection with its own retail service offerings, Verizon must provide access to competing carriers in "substantially the same time and manner."[9] For those functions that have no retail analogue, Verizon must demonstrate that the access it provides to competing carriers would offer an

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7 Sprint's silence on the remaining competitive checklist items should not be construed as support of Verizon's compliance with those remaining checklist items.

8 Memorandum Opinion and Order, *In re: Application by Bell Atlantic New York for Authorization Under Section 271 of the Communications Act To Provide In-Region, InterLATA Services in the State of New York*, 15 FCC Rcd. 75 (Dec. 22, 1999), *aff'd, AT&T Corp. v. FCC*, 220 F.3d 607 (D.C. Cir. 2000)("New York 271 Order")at ¶ 44.

9 Id.

efficient carrier a "meaningful opportunity to compete."[10] This point cannot be underscored strongly enough.

Furthermore, the FCC has held that, for purposes of demonstrating compliance with the competitive checklist, a BOC such as Verizon, must demonstrate that it is currently in compliance with rules in effect on the date of filing of its Section 271 application with the FCC.[11] Thus, in order to meet the requirements of section 271 for Pennsylvania, Verizon must be compliant with FCC rules that have been issued subsequent to the FCC's New York 271 Order. Relevant FCC Orders issued by the FCC subsequent to the FCC New York 271 Order include the UNE Remand Order, the Line Sharing Order and the Line Splitting Order.[12]

Moreover, there is the Global Order. The Global Order cannot be ignored as this Commission addresses whether Verizon has sufficiently undertaken efforts to irreversibly open the local exchange market in Pennsylvania and whether robust local telephone competition exists in Pennsylvania. As the Commission noted in the Global Order:

> If any interested parties have information that BA-PA is not in compliance with any element of the 14-point checklist, that BA-PA has not met any specific provision of the final Order in this proceeding, or any other factor relevant to the Section 271

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10 Id.

11 *Memorandum Opinion and Order, Application of SBC Communications, Inc., Southwestern Bell Telephone Company, and Southwestern Bell Communications Services, Inc. d/b/a Southwestern Bell Long Distance*, CC Docket No. 00-65, ¶ 28-29 (June 30, 2000) ("*Texas 271 Order*").]

12 *See Implementation of the Local Competition Provisions of the Telecommunications Act of 1996*, Third Report and Order and Fourth Further Notice of Proposed Rulemaking, 15 FCC Rcd at 3696 (1999) (UNE Remand Order); *see also Deployment of Wireline Services Offering Advanced Telecommunications Capability and Implementation of the Local Competition Provisions of the Telecommunications act of 1996*, Third Report and Order, and Fourth Report and Order, 14 FCC Rcd 20912 (1999) (Line Sharing Order).

process, including the requirements of Section 271(c)(1)(A), that party may, in good faith, present any information and any supporting documentation to the Commission either in its comments or its testimony either prior to or at the *en banc* hearing for inclusion in the record of the Section 271 Docket and to be considered by the Commission within that context.[13]

Clearly, the intended scope of this proceeding, as initially envisioned in the Global Order, requires that the Commission carefully review the claims made by Verizon as to its alleged market-opening behavior in context of applicable legal pronouncements and the requirements set forth in this Commission's Global Order. Only in this manner is Verizon 's performance on Section 271's 14-point checklist properly placed into perspective in the Pennsylvania Commission's consultative recommendation to the FCC.

B. Scope of the Evidence

In the Global Order, the Commission placed the burden of proof on Verizon to demonstrate that Verizon has "satisfactorily met all of the elements in the 14-point competitive checklist and that it has fully and properly implemented all the provisions of this Order."[14] Similarly, according to the FCC, a BOC, such as Verizon, retains the burden of proof that it has satisfied all of the requirements of section 271.[15] Verizon must prove that it has met each element by "a preponderance of the evidence, which generally means the greater weight of evidence, evidence which is more convincing than the evidence which is offered in opposition to it."[16]

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13 Global Order at 257.
14 Global Order at 260;
15 New York 271 Order, at ¶ 47.
16 Id. at ¶ 48.

The FCC has established that a BOC, such as Verizon, must provide *actual* evidence of its compliance with the competitive checklist instead of promises of future performance or behavior. The FCC stated:

> In addition, the [FCC] has found that a BOC's promises of *future* performance to address particular concerns raised by commenters have no probative value in demonstrating its *present* compliance with the requirements of section 271. In order to gain in-region, interLATA entry, a BOC must support its application with actual evidence demonstrating its present compliance with the statutory conditions for entry, instead of prospective evidence that is contingent on future behavior. Thus, we must be able to make a determination based on requirements of section 271.[17]

The diligence of the Pennsylvania Commission would be best recognized by the FCC by its insistence here that Verizon's obligation be fully met prior to interLATA entry. Requiring Verizon to first correct the deficiencies that remain will ensure that the public and private investment that has brought us to this point will not be sacrificed.

The Commission should resist any temptation or pressure to make any premature findings and remain focused on whether Verizon has fully met all of the checklist items, and all legal requirements, prior to endorsing in-region interLATA entry. The FCC has taken advantage of Verizon's incentive to cooperate as a condition of obtaining Section 271 approval. However, as noted in the declaration of Sprint witness, Dr. David Rearden, once such approval is obtained, Verizon's incentive to cooperate will largely disappear. The Pennsylvania Commission should not lose sight of this important issue.

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[17] New York 271 Order at ¶36 (citations omitted).

III. VERIZON HAS FAILED TO ESTABLISH THAT IT HAS COMPLIED WITH THE FOURTEEN POINT CHECKLIST

A. CHECKLIST ITEM 1 – INTERCONNECTION

Section 271(c)(2)(B)(I) of the Act requires a section 271 applicant to provide "[I]nterconnection in accordance with the requirements of sections 251(c)(2) and 252(d)(1)" so the carrier requesting interconnection can physically link their communications networks to the BOC's network for the mutual exchange of traffic.[18] To do so, the BOC must permit carriers to use any available point in the BOC's network.[19] A BOC must provide interconnection on terms and conditions that are "just, reasonable, and nondiscriminatory," which means that a BOC must provide interconnection to a competitor in a manner no less efficient than the way in which the BOC provides the comparable function to its own retail operations.[20]

As established below, Verizon has failed its burden to demonstrate compliance with checklist item 1.

1. Verizon is not making collocation arrangements available on a just, reasonable and nondiscriminatory basis.

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18 47 U.S.C. § 271(c)(2)(B)(I).

19 47 U.S.C. § 251(c)(2)(B). In the *Local Competition First Report and Order*, the FCC identified a minimum set of technically feasible points of interconnection. *See Local Competition First Report and Order*, 11 FCC Rcd at 15607-09.

20 New York 271 Order at ¶ 65 (citing *Local Competition First Report and Order*, 11 FCC Rcd at 15612; see also, *Second BellSouth Louisiana Order*, 13 FCC Rcd at 20642).

In order to comply with its collocation obligations, a BOC must make physical and virtual collocation arrangements available on terms and conditions, and rates that are "just, reasonable, and nondiscriminatory" in accordance with section 251(c)(6) of the Act and the FCC's rules implementing that section.[21]

Verizon's provision of collocation in Pennsylvania does not satisfy the requirements of sections 271 and 251 of the Act. As established in the attached Declaration of Rebecca Thompson: (a) Verizon's physical collocation offerings are not consistent with the FCC's rules; (b) Verizon fails to provide detailed information to establish claims of collocation space exhaustion; (c) Verizon's policy on orders for transport from collocation space causes delay and increased expense; and (d) Verizon's rates for power to a collocation space are unreasonable.

a. Verizon's physical collocation offerings are not consistent with the FCC's collocation rules.

The FCC's collocation rules provide in relevant part:

> (k) An incumbent LEC's physical collocation offering must include the following:
>
> (2) Cageless collocation. Incumbent LECs must allow competitors to collocate in any unused space in the incumbent LEC's premises, without requiring the construction of a cage or similar structure, and without requiring the creation of a separate entrance to the competitor's collocation space. An incumbent LEC may require collocating carriers to use a central entrance to the incumbent's building, but may not require construction of a new entrance for competitors' use, and once inside the building, incumbent LECs must permit collocating carriers to have direct access to their equipment. An incumbent LEC may not require competitors to use an

[21] New York 271 Order ¶ 77; 47 U.S.C. § 251(c)(6).

> intermediate interconnection arrangement in lieu of direct connection to the incumbent's network if technically feasible. In addition, an incumbent LEC must give competitors the option of collocating equipment in any unused space within the incumbent's premises, and may not require competitors to collocate in a room or isolated space separate from the incumbent's own equipment. An incumbent LEC must make cageless collocation space available in single-bay increments, meaning that a competing carrier can purchase space in increments small enough to collocate a single rack, or bay, of equipment.[22]

Pursuant to this rule, Verizon must give Sprint and other CLECs the option of collocating equipment in unused space within Verizon's premises. As explained by Ms. Thompson, Verizon is not complying with this FCC requirement. Instead of making unused space available, Verizon is only making available the space it has set aside for CLEC collocation. Once that space is exhausted, Verizon is requiring virtual collocation.[23] Yet, Verizon is setting aside additional space for itself, contrary to the FCC's rules.

Since Verizon is not complying with FCC collocation requirements, it is not compliant with the requirements of sections 271 and 251, or checklist item 1.

b. Verizon fails to provide detailed information to establish claims of collocation space exhaustion.

Currently, when Verizon determines that a particular central office cannot accommodate additional physical collocation arrangements due to space exhaust, it

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22 47 U.S.C. § 51.323(k)(2). While a recent federal court decision remanded certain issues pertaining to this rule to the FCC, that decision does not impact the point being made here concerning Verizon's practices with respect to unused central office space. GTE Service Corp. v. FCC, 205 F.3d 416 (D.C. Cir. 2000).

23 Thompson Declaration at 1.

does not provide CLECs with the information necessary to validate that claim.[24] Such information is necessary even if a central office tour is conducted in order to understand the observations made during the tour.[25] The Pennsylvania Commission is currently considering this issue.[26] However, the result of this less-than-full-disclosure position is to frustrate the efforts of CLECs and the Commission to determine if collocation space is truly exhausted. Moreover, the position generally delays the fact-finding process which also inures to Verizon's benefit.

One other BOC, SBC, has agreed to provide this information prior to receiving authority to provide in-region interLATA authority in Texas; and SBC's tariffs in Kansas and Illinois also provide for making this information available.[27]

Other means of resolving Verizon's claims of space exhaustion , such as the complaint process, are uncertain and cause delay in the provision of collocation arrangements. Until such time as Verizon provides such information, it cannot establish that it is providing collocation in compliance with section 251 and checklist item 1.

c. Verizon's policy on orders for transport from collocation space causes delay and increased expense.

Verizon's current collocation policy requires Sprint and other CLECs to place orders for transport from their collocation space in a manner that causes delay and increased expense. As Ms. Thompson stated:

> Several other ILECs, including Qwest and SBC are allowing Sprint to place orders up front in the collocation process so that transport will be available at the same time the collocation arrangement

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24 Thompson Declaration at ¶10.
25 Id.
26 Docket Nos. R-00994697 and R-00994697C0001.
27 Thompson Declaration at ¶11.

> becomes available. This process ensures that Sprint will be able to use its collocation arrangement as soon as it can get its equipment installed, without further dependencies on and delays caused by the ILEC. Right now it can take as long as an additional 120 calendar days after Sprint's collocation arrangement is ready before Sprint can have transport from that collocation arrangement. This means that Sprint is effectively forced to pay Monthly Recurring Charges for collocation space that it cannot use. Without timely delivery of transport from the collocation arrangement, Verizon's collocation provisioning intervals are of little significance to Sprint because Sprint still cannot make use of the collocation arrangement to provide services to consumers in Verizon's territory until the transport is delivered.[28]

Until Verizon permits Sprint and other CLECs to place these transport orders up front in the collocation process, Verizon is not providing collocation in accordance with section 251 and checklist item 1.

d. Verizon's rates for power to a collocation space are unreasonable.

Verizon currently charges CLECs $17.44 per amp of DC Power on a monthly recurring basis for use by CLEC equipment placed in collocation space.[29] As Ms. Thompson points out, this rate is among the highest in the country, and higher than in both Massachusetts and New York.[30]

Verizon's rates for power to a collocation space are patently unreasonable. Accordingly, Verizon is not charging rates for collocation that are "just, reasonable, and nondiscriminatory" in accordance with section 251(c)(6) of the Act and the FCC's rules implementing that section.

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28 Thompson Declaration at ¶14.

29 Id. at 8.

30 Id.

2. Interconnection trunking: Verizon refuses to provide two-way trunking.

Verizon is not providing competing carriers interconnection trunking in Pennsylvania that is equal in quality to what Verizon provides to its own retail operations, and on terms and conditions that are just, reasonable, and nondiscriminatory.

The FCC requires ILECs to provide two-way trunking upon a request by a CLEC. As the FCC stated in its *Local Competition First Report and Order*,

> We identify below specific terms and conditions for Interconnection in discussing physical or virtual Collocation (i.e., two methods of interconnection). We conclude here, however, that where a carrier requesting interconnection pursuant to section 251(c)(2) does not carry a sufficient amount of traffic to justify separate one-way trunks, an incumbent LEC must accommodate two-way trunking upon request where technically feasible. Refusing to provide two-way trunking would raise costs for new entrants and create a barrier to entry. Thus, we conclude that if two-way trunking is technically feasible, it would not be just, reasonable, and nondiscriminatory for the incumbent LEC to refuse to provide it.[31]

As set forth by Ms. Oliver, Verizon refuses to authorize or permit Sprint to use two way trunks in Pennsylvania.[32] Verizon's refusal directly contravenes the FCC's requirement with regard to two-way trunking. Not only is this inconsistent with FCC policy, but Verizon's refusal is inconsistent with its stance in other Verizon states. Verizon has permitted Sprint to interconnect using two-way trunks in New York and Massachusetts.[33]

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31 *See Implementation of the Local Competition Provisions of the Telecommunications Act of 1996*, CC Docket No. 96-98, First Report and Order, 11 FCC Rcd 15499, 15683, ¶ 219 (1996)(*Local Competition First Report and Order).*

32 Oliver Declaration at ¶10.

33 Oliver Declaration at ¶11.

Verizon's refusal to provide two-way trunking in Pennsylvania is not just, reasonable or nondiscriminatory. As such, until Verizon permits two-way trunking it cannot demonstrate compliance with checklist item 1.

3. Interconnection points: Verizon's GRIP plan is inconsistent with section 251.

FCC rules require that an ILEC must allow interconnection at any technically feasible point of interconnection.[34] Verizon's interconnection requirements are inconsistent with this requirement.

Verizon supports a geographically relevant interconnection point ("GRIP") plan for determining interconnection points. GRIP plans require CLECs to establish points of interconnection at specified locations in the ILEC network.

Such an arrangement disadvantages Sprint. As Mr. Flurer states

> Verizon's proposed interconnection arrangement would force Sprint to bear a disproportionate share of the costs of carrying traffic between them. Sprint would be subsidizing Verizon, because Sprint would be financially responsible for delivering traffic originated on its network to Interconnection Points at Verizon's end office switches, located deep within Verizon's network, while Verizon would have no reciprocal obligations for the traffic it delivers to Sprint.
>
> Conversely, Verizon delivering its traffic to Sprint far back within Verizon's own local calling area (*i.e.*, at its own end office) would force Sprint to incur the cost of facilities to transport Verizon's originating traffic from Verizon's end office switch (or tandem) to Sprint's interconnection point. This arrangement is unfair and contrary to the FCC's rules. It should be rejected in favor of the balanced, reciprocal approach Sprint recommends.[35]

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34 47 U.S.C. 251(c)(2); 47 C.F.R. § 51.305.

35 Flurer Declaration at ¶¶8, 9.